



Comptroller of the Currency
Administrator of National Banks

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Corporate Decision #97-18 April 1997

DECISION OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION BY FIRST NATIONAL BANK OF THE ROCKIES, MEEKER, COLORADO TO PURCHASE AND ASSUME THE ASSETS AND LIABILITIES OF THE ROCKY MOUNTAIN STATE BANK AND THE RIO BLANCO STATE BANK, RANGELY, COLORADO.

DECISION

Introduction

On January 21, 1997, application was made to the Office of the Comptroller of the Currency (OCC) for prior authorization to purchase the assets and assume the liabilities of the Rocky Mountain State Bank and the Rio Blanco State Bank, Rangely, Colorado 81648 by First National Bank of the Rockies, Meeker, Colorado 81641 under the charter of First National Bank of the Rockies and the title of First National Bank of the Rockies. This application was based on an agreement entered into between the proponents on December 13, 1996.

Participating Financial Institutions

As of September 30, 1996, First National Bank of the Rockies had total deposits of \$57 million and operated two offices. On the same date, Rocky Mountain State Bank had total deposits of \$12 million and operated two offices and Rio Blanco State Bank had total deposits of \$13 million and operated one office. First National Bank of the Rockies is 98% owned by FNBR Holding Corporation, a bank holding company located in Meeker, Colorado.

Competitive Analysis

The relevant geographic market for this proposal is the area including and immediately surrounding the community of Meeker, Colorado, the area where competition between First National Bank of the Rockies and a branch of the Rocky Mountain State Bank is direct and immediate. This is an area with a population of less than 3,000 persons. The OCC considers an area with such a small population to be economically insignificant from a competitive standpoint. (See Decision of the Comptroller of the Currency on the application to merge The National Bank and Trust Company of Norwich, Norwich, New York, with National Bank of Oxford, Oxford, New York, dated April 8, 1983). Therefore, because the market is not recognized as being economically significant, any anticompetitive effects resulting from the transaction are considered *de minimis*.

Both target institutions, Rocky Mountain State Bank and Rio Blanco State Bank, operate in Rangely, Colorado. First National Bank of the Rockies does not compete in this market. The combined market share of the target institutions in the predefined Federal Reserve Market that includes Rangely, Colorado will be less than 20 percent. Therefore, using standard merger screening procedures, the OCC finds that the proposal satisfies the criteria for a merger that clearly has minimal or no adverse competitive effects.

The Department of Justice has reviewed the proposal and advised the OCC that consummation of the proposal would not have any significantly adverse effect on competition in the relevant geographic market.

The Federal Reserve Bank of Kansas City also advised the OCC that the acquisition had "no significant competitive effects."

Banking Factors

The Bank Merger Act requires the OCC to consider ". . . the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served." We find that the financial and managerial resources of First National Bank of the Rockies, Rocky Mountain State Bank, and Rio Blanco State Bank do not raise concerns that would cause the application to be disapproved. The future prospects of the proponents, individually and combined, are considered favorable.

First National Bank of the Rockies will continue to meet the convenience and needs of the community served by it and the target institutions. Although two offices will be consolidated into other offices, each is in close proximity to the surviving office and the consolidation should not result in any loss of convenience to customers. Customers of the merging banks will be able to conduct their banking activities in three different towns and the merger will permit the resulting bank to better serve its customers at a lower cost. Customers of the target institutions will have the benefit of increased

